

Final Agenda

TBPOC CONFERENCE CALL May 9, 2008, 4:00 p.m. – 5:00 p.m.

Topic	Presenter	Time	Desired Outcome
1. TBPOC/ABF BRAINSTORMING SESSION PREPARATIONS*	PMT	45 min	Information
2. MACTEC INSPECTION CONTRACT EXTENSION*	P. Lee, BATA	15 min	Information
3. Other Business	W. Kempton, CT		n/a
Next TBPOC Meeting: June 18, 2008, 10:00am – 1:00pm, Mission Bay Office			

* Attachments

** Final Documents still in process; to be provided as soon as available.

***Stand alone document included in the binder.

**ITEM 1: TBPOC/ABF BRAINSTORMING
SESSION PREPARATIONS**

Memorandum

TO: Toll Bridge Program Oversight Committee (TBPOC) **DATE:** May 8, 2008

FR: Program Management Team (PMT)

RE: Agenda No. - 1

Item- TBPOC/ABF Brainstorming Session Preparations

Recommendation:

For Information Only

Cost:

N/A

Schedule:

N/A

Discussion:

In preparation for the TBPOC/ABF Brainstorming Session on Monday, May 12, 10:00am to 2:00pm at the Mission Bay Office, attached to this memo you will find the following:

- Draft agenda for the Brainstorming Session
- List of questions/issues as a briefing mechanism for the TBPOC
- Two letters submitted by the Department to ABF in late April 2008
- A few slides providing additional background material.

Attachments:

- 1) Draft Agenda for TBPOC-ABF Brainstorming Session
- 2) Pre-Brainstorming Session List of Issues/Questions
- 3) Letter No. 05-03-01-001812, Michael Flowers, ABF, dated April 28, 2008, re: Deck Panel Fabrication
- 4) Letter No. 05-03-01-001813, Michael Flowers, ABF, dated April 28, 2008, re: Unacceptable Deck Panels
- 5) Prep Slides: Devaluation of U.S. Dollar, OBG deck panels



TOLL BRIDGE PROGRAM OVERSIGHT COMMITTEE

CALTRANS BAY AREA TOLL AUTHORITY CALIFORNIA TRANSPORTATION COMMISSION

TBPOC – ABF Brainstorming Session

Monday, May 12, 2008, 10:00 am – 2:00 pm

Mission Bay Office, Room 1906

325 Burma Road, Oakland

DRAFT AGENDA

1. Introduction – W. Kempton, S. Heminger, J. Barna, TBPOC
2. Project Update – M. Flowers, ABF
3. Discussion Items
 - a. ABF Management
 - b. ABF Schedule Opportunities
 - c. Quality Control
 - d. Incentives
4. Summary
5. Next Steps



TOLL BRIDGE PROGRAM OVERSIGHT COMMITTEE

CALTRANS BAY AREA TOLL AUTHORITY CALIFORNIA TRANSPORTATION COMMISSION

TBPOC Pre-Brainstorming Session List of Issues/Questions

1. ABF management
 - a. strong manager on site, on island
 - b. joint venture relationship
 - c. contractor/supplier relationship
2. Quality Control
 - a. prompt transmittal of documents
 - b. Welding QC Plan
3. China Risk Management items (5)
 - a. Machines – equipment to be used during the manufacturing
 - b. Information – drawing release and fabrication methodology
 - c. Manpower – suitably qualified supervision, inspectors and welders
 - d. Materials – ordering receipt and approval for use of steel plate
 - e. Environment – the potential effect of high temperature, cold temperature and rain on the sections of fabrication that are too large to be worked inside the workshop; also, the issues associated with high temperature confined work space inside the fabricated tower sections
4. Fabrication (tower vs. OBG) vs. Cable Erection
5. Schedule acceleration
 - a. removal of financial obstacles (devaluation of dollar)
 - b. liquidated damages
 - c. completion incentives

1. The reason we agreed to have this meeting was to brainstorm ideas that would help us accelerate the schedule. Before, jumping into the brainstorming exercise, it would be helpful to discuss where we are at today and if it is even a realistic goal to pursue accelerating the schedule.
2. Finishing the project earlier benefits all of us. It is a matter of safety and it is our responsibility to protect the public. On that note, it is our job to make sure our bridge meets the required quality standards. Are we satisfied with the product we are getting? Given that this is a one of a kind type of structure, are we all in agreement with the parameters used to measure quality? Is the acceptance criteria well defined, understood, and agreed with by all?
3. What can we as a team do to meet our project delivery challenges?
4. What can we do to improve quality and accelerate delivery?
5. Would additional compensation help us get to where we want to be?
6. What kind of framework would provide all of us with the best mechanism for incentive(s)?

Brainstorming session:

1. What tasks in the schedule offer the most opportunities for acceleration?
2. Should incentives be tied to specific tasks completion?
3. Should incentives be tied to quality performance goals and shared with ZPMC?
4. What kinds of incentives are needed? Chartered bus/boat? Free lunch? Cash vouchers? Raincoats? Boots?

DEPARTMENT OF TRANSPORTATION - District 4 Toll Bridge Program

333 Burma Rd.

Oakland, CA 94607

(510) 622-5660, (510) 286-0550 fax

*Flex your power
Be energy efficient!*

April 28, 2008

Contract No. 04-0120F4

04-SF-80-13.2 / 13.9

Self-Anchored Suspension Bridge

Letter No. 05.03.01-001812

Michael Flowers
Project Executive
American Bridge/Fluor, A JV
375 Burma Road
Oakland, CA 94607

Dear Michael Flowers,

Deck Panel Fabrication

This letter is being written to express the Department's continuing concern with the ongoing deck panel fabrication. As you recall State Letter 05.03.01-001136, dated January 14, 2008, authorized the Contractor to proceed with production welding of the U-ribs to deck plates. This authorization was based on assurances provided in ABF-CAL-LTR-000400 and 415 that the rib to deck weld could be performed to meet contract requirements. These letters stated that ABF was confident the welding would continue to be improved beyond the level achieved in the weld trial and mock-up.

As of April 16, 2008, 136 deck panels have been fabricated; however, the majority of these deck panels do not meet contract requirements nor the objectives stated in ABF-CAL-LTR-000400 and 415. An inspection of the welding on these panels has shown mixed and inconsistent results with excessive overlap, giving way recently to other unacceptable weld defects such as underfill and incomplete fusion. Rather than improving upon the 2.72% total defect rate stated in ABF-CAL-LTR-000415, the total defect rate varies from 2% to 25% and remains inconsistent.

The Department has observed that the Contractor has not controlled or adequately monitored the variables that are necessary to produce an acceptable and consistent weld. Furthermore, the expected improvements claimed by ABF are not being realized; specifically, weld preparation, fit-up and electrode positioning which require monitoring for accuracy and consistency. Suggestions have been provided by the Department to aid in achieving consistent and acceptable welds, with many of these being discussed as early as August 2007. Few, if any, have been adopted and used. In the spirit of partnership, the Department recommends the following processes be considered to improve the consistency of the welding and reduce the number of defects requiring repair:

1. Create and use a template for the setting of the weld heads prior to welding.
2. Create a template for the grinding of tack welds.
3. Install location indicators for all the knobs controlling the welding head orientation.
4. Add an electronic data collection device for the gantry weld machine.

5. Institute a preventative maintenance program for the equipment used in the deck panel production.
6. Use the Equipment Setup Checklist attached to ABF-CAL-LTR-000400 more diligently.
7. Macroetch results, with QC's assessment, must be evaluated and submitted within 2 hours of completed PMT.

As in the past, the Department is available to work with the Contractor if it chooses to adopt these recommendations. Please contact our office in Shanghai to discuss this matter further.

Sincerely,



GARY PURSELL
Resident Engineer

cc: Rick Morrow
Pete Siegenthaler
Brian Boal
file: 05.03.01

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April 28, 2008

Contract No. 04-0120F4

04-SF-80-13.2 / 13.9

Self-Anchored Suspension Bridge

Letter No. 05.03.01-001813

Michael Flowers
Project Executive
American Bridge/Fluor, A JV
375 Burma Road
Oakland, CA 94607

Dear Michael Flowers,

Unacceptable Deck Panels

This letter is being issued to notify ABF that Deck Panels fabricated to date are unacceptable. This is due to a variety of contract deficiencies including, but not limited to, failed Weld Monitoring Tests, unqualified welders and untimely documentation. Some of the documentation required to be submitted timely include, at a minimum, the UT results for the first two production panels and Welding Reports. Not only have the panels failed to meet the requirements of the contract, they do not meet the conditions stated in ABF-CAL-LTR 000400 and 415.

As of April 21, 2008, 102 Weld Monitoring Tests and 144 Deck Panels have been fabricated. Utilizing the Department's data, panels fabricated through April 21st are categorized as follows:

- 57 Panels would be rejected as a result of a failed Weld Monitoring Test (VT, UT, or Macro-etches) if presented by ABF as acceptable
- 63 Panels are still awaiting results from the Weld Monitoring Tests
- 24 Panels may be acceptable if repaired successfully

ABF has yet to notify the Department as to their position on the acceptability of deck panels fabricated to date. Please be reminded that quality control is the responsibility of the contractor and the quality of welding, including materials and workmanship, performed by the Contractor and subcontractors is the responsibility of the QCM.

Sincerely,

A handwritten signature in cursive script that reads 'Gary Pursell'.

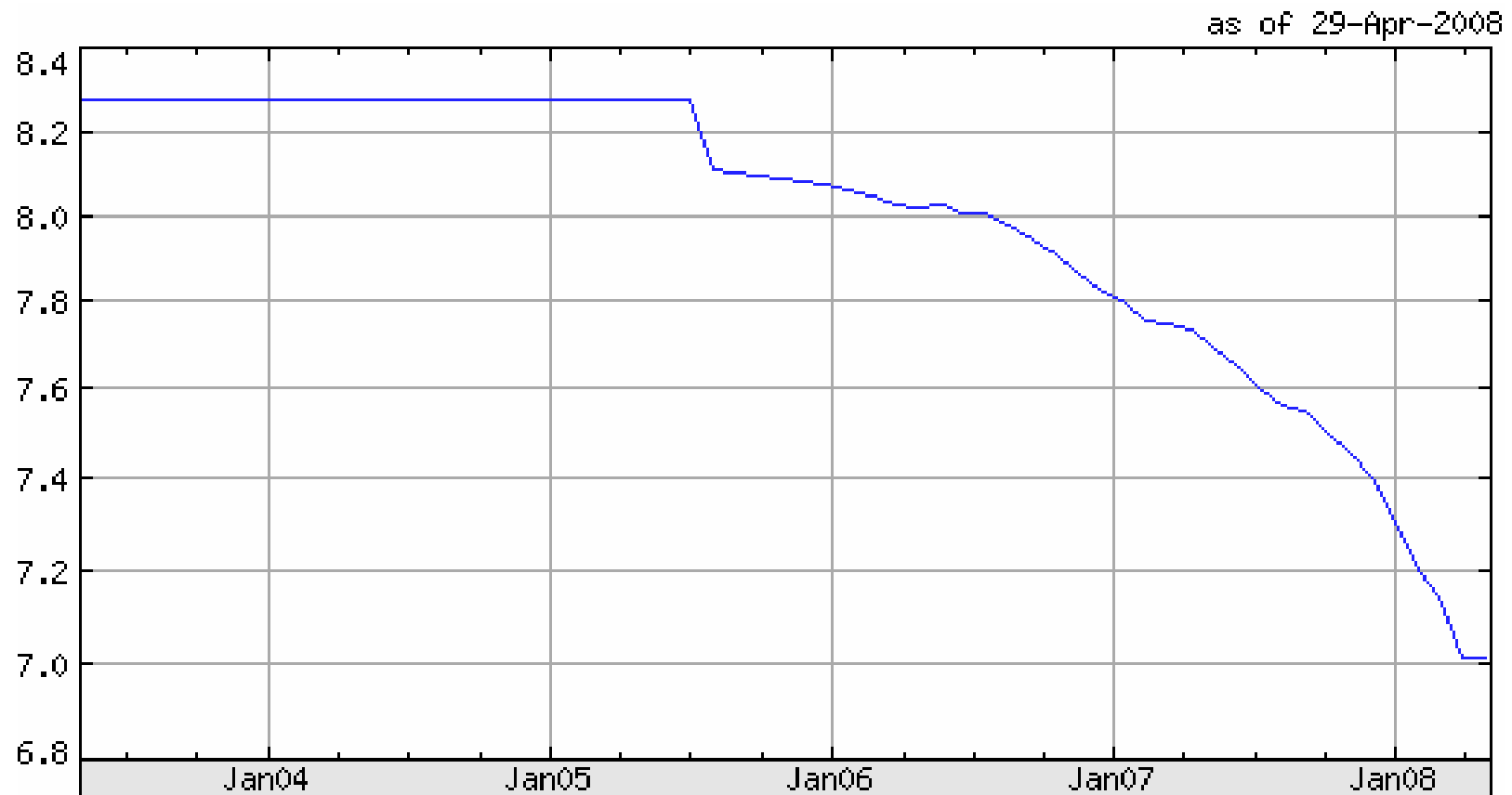
GARY PURSELL
Resident Engineer

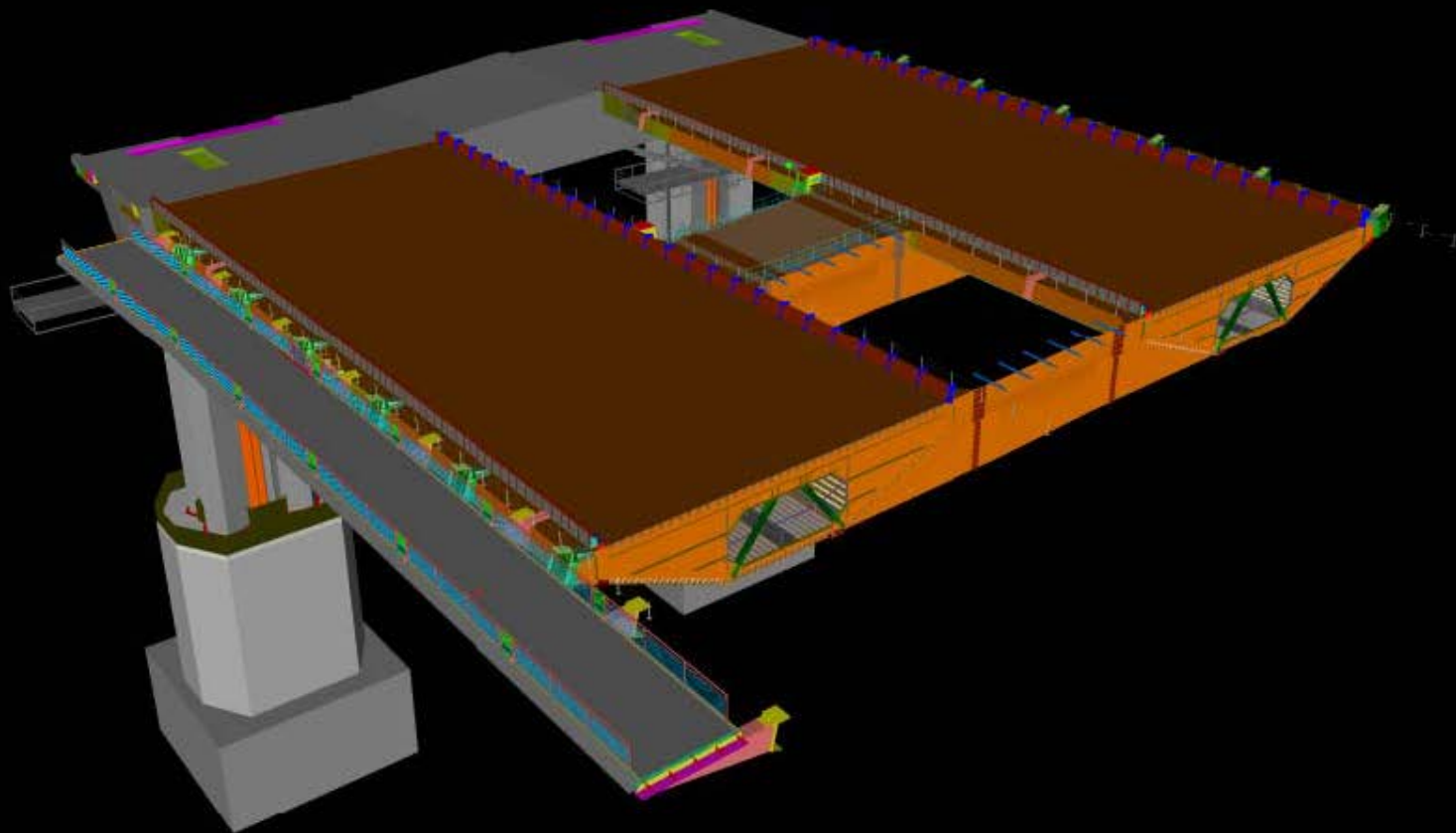
cc: Rick Morrow
Pete Siegenthaler
Brian Boal

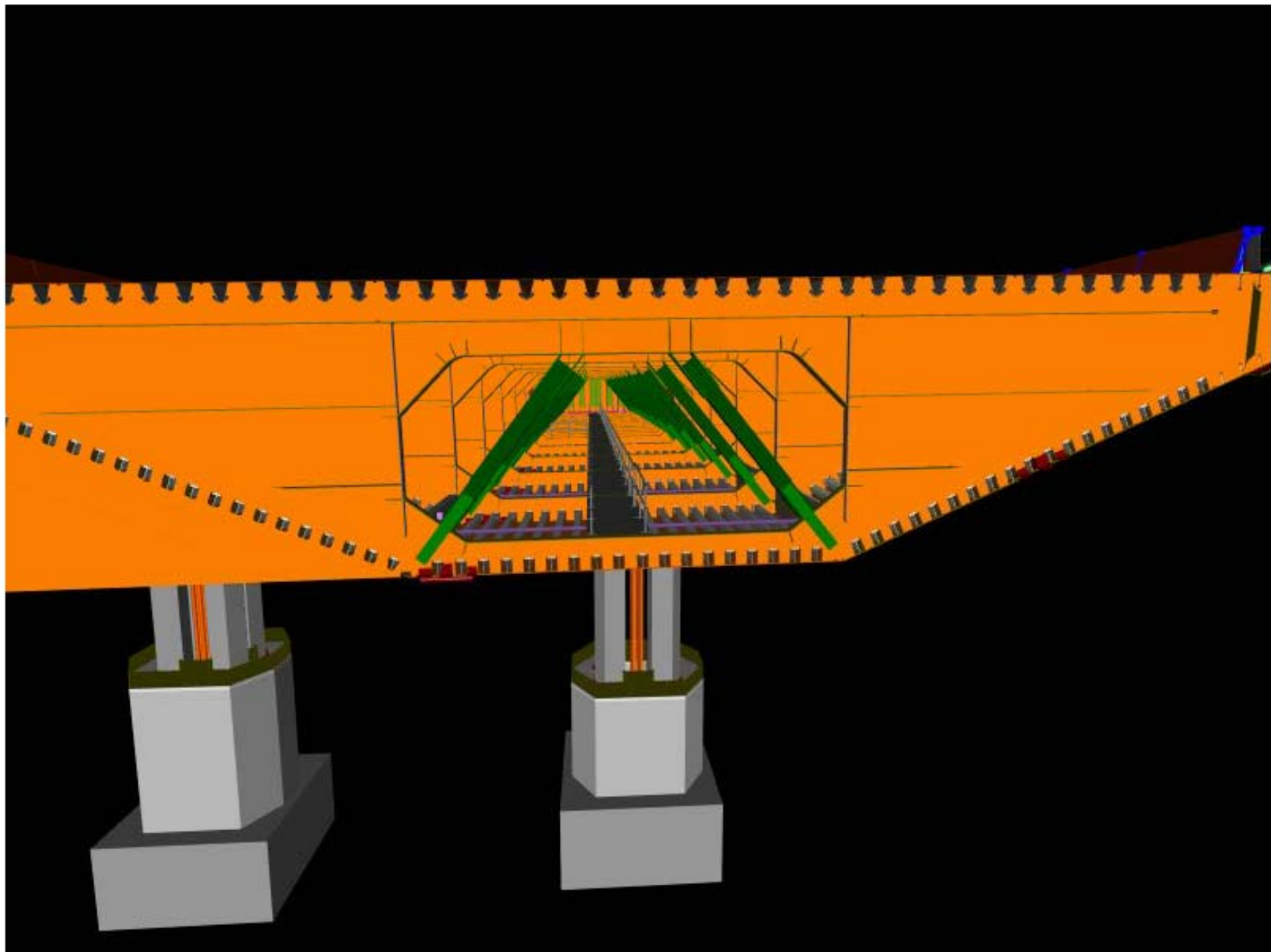
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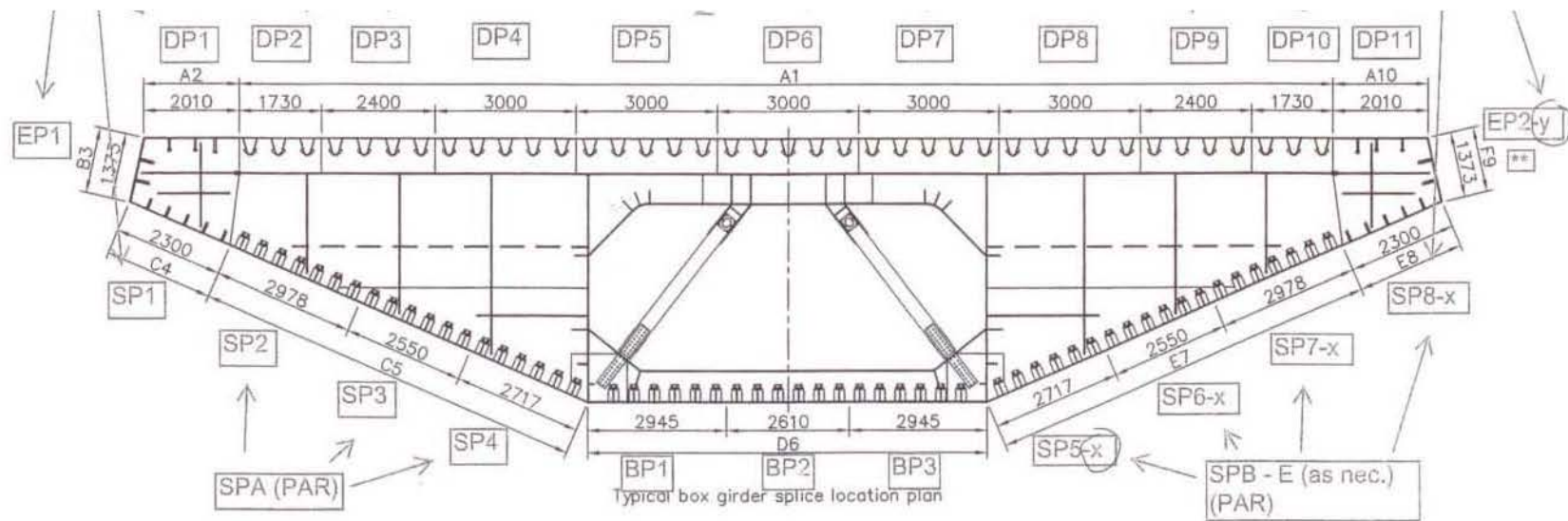
12.5 % Decline in Dollar to Yuan Value Since 2006

- Based on an estimated \$250 million subcontract with ZPMC, the subcontract declined \$30 million in value









**ITEM 2: MACTEC INSPECTION CONTRACT
EXTENSION**

Memorandum

TO: Toll Bridge Program Oversight Committee (TBPOC) **DATE:** May 8, 2008

FR: Peter Lee, Senior Transportation Engineer, BATA

RE: Agenda No. - 2

Item- MACTEC Inspection Contract Extension

Recommendation:

For Information Only

Cost:

N/A

Schedule:

N/A

Discussion:

As discussed with TBPOC last week, the Department requested that the TBPOC approve the issuance of a future RFQ for Materials Inspection Services along with an interim extension of the existing MACTEC inspection contract through October 2008 until a new contract can be executed. The PMT has discussed the proposal and is moving forward with the proposed RFQ and contract extension.

The future RFQ is estimated to be approximately \$40 million over the remaining duration of the east span replacement project. The contract will provide for consultant inspection staffing around the world, including China. The Department anticipates that much of the existing inspection staffing would be retained by whichever firm is selected due to the limited availability of qualified staffing, which should minimize any disruption to ongoing inspection activities. The RFQ is in development and will be reviewed by the PMT. The PMT will also be sitting on the selection panel for the contract.

Since a new RFQ will take some time to issue and execute, the PMT is requesting an interim extension of the existing MACTEC inspection contract. The contract will be extended approximately 6 months through the end of October 2008. The estimated cost

Memorandum

of the extension is \$12 million with \$10 million coming from the TBSRP and \$2 million coming from other Caltrans funds for work on non-SRP projects.

Funding for the contracts has been included in the COS forecast as reported at earlier TBPOC meetings.